

**September 12, 2006**

SUBJECT: Authorization to Modify a Contract for Industrial Piping Supplies (No. F0608-13)

REPORT IN BRIEF

Approval is requested to modify a contract with Roberts & Brune Company of San Jose for the purchase of piping supplies for the Departments of Public Works and Parks and Recreation by increasing expenditures under a contract awarded by Council in September 2005 and authorizing a one-year extension of that contract.

BACKGROUND

City staff regularly uses piping supplies, such as valve parts, fittings and couplings. The majority of these supplies are used by the Department of Public Works Environmental and Field Services Divisions; however, Parks and Recreation staff also require piping supplies from time to time. Although items used on a regular basis are stocked at Central Stores, the majority of items are purchased on an "as needed" basis.

In September 2005, Council awarded a one-year contract to Roberts & Brune in an amount not to exceed \$150,000 as the primary supplier of valve parts, fittings and couplings for the City of Sunnyvale (RTC 05-258).

DISCUSSION

Piping supply requirements have exceeded the usage level anticipated when the contract was awarded. Due to the City's aging water system infrastructure, Field Services has experienced an unusually high number of main breaks. In addition, an increasing number of construction projects in the City converting industrial sites to high density housing has added to the City's need for piping supplies. Additional usage on Parks projects have combined with Field Services requirements to increase required expenditures beyond the contract amount authorized by Council.

At this time, it is necessary to request authorization for an additional \$26,000 in expenditures under the September 2005 contract. Since Roberts & Brune is the only South Bay Area supplier who offers a sufficiently wide range of industrial piping supplies to meet the City's needs, staff also recommends that Council extend the 2005 contract for an additional year and authorize expenditures up to \$200,000 during that one-year extension.

Section 2.08.070 (b) of the Sunnyvale Municipal Code exempts from competitive bidding situations where the solicitation of bids would for any reason be impractical, unavailing or impossible. The wide range of piping supplies used by City staff on an “as needed” basis make the development of a comprehensive and meaningful list of items for bidding purposes impossible. Even if such a list could be developed, there is only one local company who is able to supply the bulk of the City’s needs.

FISCAL IMPACT

Total additional expenditures under the 2005 contract will not exceed \$26,000, making a total one-year contract amount of \$176,000. In addition, staff recommends that Council authorize expenditures up to \$200,000 for the requested one-year contract extension to allow for likely inflationary price increases.

Funds have been budgeted in the Public Works Water Supply and Distribution Program and various water-related Capital Projects as well as in the Parks Division Neighborhood Parks and Open Space Management Program.

RECOMMENDATION

It is recommended that Council:

1. Authorize additional expenditures up to \$26,000 under a 2005 contract with Roberts & Brune Company for industrial piping supplies, making a total one-year contract amount of \$176,000; and
2. Extend the contract for an additional one-year period and authorize expenditures up to \$200,000 during the extension period, making a total two-year contract amount of \$376,000.

Prepared by:

Elaine Wesely
Purchasing Officer

Reviewed by:

Mary J. Bradley
Director, Finance

Reviewed by:

Marvin Rose
Director, Public Works

Approved by:

Amy Chan
City Manager

Attachment

- A. Draft Change Order to BPO 27804-B
- B. Blanket Purchase Order 27804-B



**CITY OF SUNNYVALE
CALIFORNIA**

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**CHANGE ORDER NO 1
TO PURCHASE ORDER NO 27804-B**

SUPPLIER 02146-002 ROBERTS & BRUNE CO ATTN TOM GRIBBIN 1040 ROCK AVENUE SAN JOSE CA 95131 408-943-4900	CHANGE ORDER DATE	Address correspondence to: City of Sunnyvale Finance Department Purchasing Division PO Box 3707 Sunnyvale CA 94088-3707
	8/28/2006	
	PO DATE	
	8/30/2005	
	PR NO	
	0383	
	PR DATE	
	7/26/2006	

PURCHASE ORDER IS CHANGED AS FOLLOWS:

- A Increase total authorized expenditures through 8/14/06 by \$26,000, resulting in an increase from \$150,000 to \$176,000.
- B Extend purchase order by one year through 8/14/2007, with total authorized expenditures up to \$200,000 during this one-year extension.

Total two-year contract amount not to exceed \$376,000.

Awarded by Council 9/12/2006, RTC # 06-287

ALL OTHER TERMS AND CONDITIONS OF THE PURCHASE ORDER REMAIN UNCHANGED.

BUYER	<input type="checkbox"/> INTERNAL DISTRIBUTION ONLY
	COPY TO: PW/FS P&R/Parks Finance/Stores
_____ David Gakle Phone (408) 730-7403 Fax (408) 730-7710 ▼	<input checked="" type="checkbox"/> Materials <input type="checkbox"/> Services <input type="checkbox"/> Formal



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BLANKET ORDER NO 27804-B

ORDERED FROM 02146-002 ROBERTS & BRUNE CO ATTN TOM GRIBBIN 1040 ROCK AVENUE SAN JOSE CA 95131	408-943-4900	ORDER DATE 8/30/2005	BILL TO: City of Sunnyvale Finance Department Accounts Payable PO Box 3707 Sunnyvale CA 94088-3707
		START DATE 8/15/2005	
		END DATE 8/14/2006	
		BID/RFQ NO F0508-13	
DELIVER TO PW/FIELD SERVICES CORPORATION YARD 221 COMMERCIAL STREET SUNNYVALE CA 94085		FOB	FREIGHT CHARGES
		ORIGIN	
		PAYMENT TERMS NET 30	REQUISITIONER VAL CONZET X7560
		PR NO 0349	CHARGE/OBJ CODE(S) VARIOUS
OTHER DEPTS/DIVISIONS AUTHORIZED TO USE THIS ORDER PURCHASING/CENTRAL STORES, PARKS & RECREATION			THIS ORDER SUPERSEDES PO NO 27263-B

ITEM	DESCRIPTION	UNIT	UNIT PRICE
	Blanket order for the purchase of miscellaneous piping supplies, including valve parts, fittings and couplings, as required by the City of Sunnyvale for a one year period All invoices to show this order number All deliveries to be to City facilities Only All orders to be placed by authorized City employees ONLY This order awarded by Council 9/13/2005, RTC #05-258 Total value of this order not to exceed		NTE \$150,000

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 1/15/2000, a copy of which is attached and incorporated by reference (Form #TCBPO-G).

BUYER

David Gakle

Phone 408-730-7403 Fax 408-730-7710